

REMARKS

Claims 24-45 remain in this application. Claims 1-23 have been previously canceled.

The claims have been amended. No new matter is entered by way of the amendments.

Claims 24-45 were rejected as obvious over BROWN 5,875,435 in view of HARRIS 5,517,406.

Applicant respectfully disagrees for the reasons that follow. Reconsideration and allowance of the claims are therefore respectfully requested.

BROWN has been offered as disclosing an accounting system which includes at least one client module for use by a client and an administration module for administering said at least one client module, the administration module and the at least one client module being arranged for communication over a communications network, the at least one client module having transaction entry means for entering transaction records, pre-assigned transaction category codes being stored on a storage medium, means for selecting a pre-assigned category code to associate with a transaction record to be entered through the transaction entry means, and a client chart of accounts for selection of an account to which the transaction record is to be associated (Official Action page 2).

The Official Action acknowledges (page 3) that BROWN does not disclose the accounts being predetermined by the client

(amended to be in consideration of tax liability options for transactions) or in accordance with accounts of at least one trading (amended to be business) type pre-nominated by the client, each of said accounts including a pre-allocated unique account identification and an account description which is prescribed by the client or generally adopted by traders in said at least one trading (now business) type, and each of said category codes being pre-specified as a taxed or non-taxed (now amended to category), and as an expenditure or income transaction type, and the administration module having a master chart of accounts from which the client chart of accounts is extracted, and chart generating means for generating said master chart of accounts in accordance with a user's determination (amended to be an administrator's determination).

The Examiner asserts that these missing features are known in the art, as evidenced by HARRIS (Official Action page 3, second paragraph).

In the paragraph spanning Official Action pages 3-4, the Examiner further asserts that "It would have been obvious ... to have included the features of Harris within the system of Brown with the motivation of providing position information trade, execution and trade verification accurately and on a daily basis"

Applicant respectfully disagrees. A more detailed review of BROWN and HARRIS will explain why this proposed modification is not viable.

The accounting system as taught in BROWN is a connected network of users such as individuals, businesses, merchants, financial institutions and other entities, and the system provides for automated accounting of all financial transactions made by a user and other entities in the network. Data inputs for the transactions are made to a file established for the user. Access is provided to the file for agents of the user so that one of the agents can perform one or more activities related to the data inputs, such as entering, deleting, reviewing, adjusting and processing the data inputs. A master ledger is established at a central or host computer to receive the data inputs. Subsidiary ledgers are established in computers at all other entities with which the user will enter into financial transactions. Automatic coding devices are associated with these subsidiary ledgers to record and transmit data concerning the financial transaction at the time of financial transaction. Access to the master ledger and subsidiary ledgers allows the agents to perform their activities during and after a financial transaction in order to customize the transaction to make it fit into the accounting system of the user. The updates from the subsidiary ledgers are periodically entered into the master ledger.

HARRIS teaches an automated trade processing system which provides for verification of data transferred between a record keeping system and a system for processing mutual fund accounts established for reducing tax burden under the 401(k) plan. As stated in HARRIS, a plan is an organization which invests in mutual funds. The plan has a plurality of participants.

The plan performs the trades on behalf of its participants. A record keeper is an organization which performs record keeping and accounting services for a plan. The record keeper is responsible for accepting trades and forwarding those trades to various mutual fund transfer agents. A mutual fund transfer agent is an organization which is responsible for pricing and executing mutual fund trades, maintaining and reporting an investor account balances, and computing and crediting earnings in the fund. A dealer is a NASD licensed broker/dealer firm having a plurality of representatives who are licensed to sell securities including mutual funds.

The trade processing system taught in HARRIS has a 401(k) record keeping system (40), a host processor (50) and a transfer agent system (60). The record keeping system performs trade entry, record keeping, reporting, and IRS compliance functions, and receives transactions from the 401(k) plan, payroll services or directly from the participant. Upon receiving transaction information, the 401(k) record keeping

system processes the transactions specified against participant level records, verifying that the transactions are within legal and IRS compliance, both at the plan and participant level. Approved transactions are then aggregated by plan, fund, and trade type in omnibus plan trade files and transmitted to the host processor. The trade types are primarily purchase transactions, redemption transactions and exchange transactions of shares in mutual funds (column 8, lines 17-27). Additional transaction types could be dictated by the participants of a benefit plan.

The host processor in HARRIS functions as the central point of the automated trade processing cycle. It receives and edits the omnibus plan trade files for integrity and data errors as well as data verification regarding permitted transactions. It then receives pricing and accrual rate information from each transfer agent system. Using this price information, the trade records are priced, extended, and trade acknowledge confirmed to the record keeping system. After receipt of the price and accrual rate files, the 401(k) record keeping system begins daily valuation of its participant accounts. The extended trades are sorted, formatted, and passed to the appropriate transfer agent system for execution.

The transfer agent system receives the omnibus plan trade files from the host processor, executes the transactions, and acts within the financial network for purposes of updating

plan omnibus account, applying dividends to fund shares, and transmitting netted purchase and redemption information to the fund account. In addition, the transfer agent system provides account balance information and transmits transaction statements and a hard copy of transaction confirmation to the plan sponsor or trustee representations.

The transactions disclosed in HARRIS are for purchasing and redeeming shares in mutual funds by the participants of 401(k) plans. These plans offer investment opportunities through the transfer of payroll assets to a transfer agent who executes all transactions on behalf of the mutual funds. While a participant can select a mutual fund offering a particular investment directive, HARRIS does not suggest that accounts being predetermined by the participant in consideration of tax liability options for transactions or in accordance with accounts of a least one business type prenominated by the participant. There is no suggestion in HARRIS that the accounts include an account description which is prescribed by the participant or generally adopted by traders in said at least one business type. The transactions as disclosed in HARRIS are not associated with a pre-assigned category code which is pre-specified as a taxed or non-taxed category, and as an expenditure or income transaction type.

Therefore, applicant vigorously argues that amended claim 24 is patentable over BROWN in view of HARRIS as the cited

references do not suggest the elements mentioned in the above paragraphs.

Claims 25-45 must also be patentable as they are dependent on amended claim 24.

Applicant respectfully requests that the Examiner withdraw the rejection of claims 24-45 as being obvious under 35 USC §103(a).

This amendment is believed to be fully responsive and to put the case in condition for allowance. Entry of the amendment and an early and favorable action on the merits is earnestly requested.

The Commissioner is hereby authorized in this, concurrent, and future replies, to charge payment or credit any overpayment to Deposit Account No. 25-0120 for any additional fees required under 37 C.F.R. § 1.16 or under 37 C.F.R. § 1.17.

Respectfully submitted,

YOUNG & THOMPSON

/Roland E. Long, Jr./
Roland E. Long, Jr., Reg. No. 41,949
209 Madison Street
Suite 500
Alexandria, VA 22314
Telephone (703) 521-2297
Telefax (703) 685-0573
(703) 979-4709

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